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Issues: Voluntary Green Program
Tariff
Witness: Robert J. Mill
Sponsoring Party: Union Electric Company
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2007-0002
Date Testimony Prepared: January 31, 2007

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2007-0002

REBUTTAL TESTIMONY

OF

ROBERT J. MILL

SUBMITTED ON BEHALF

OF

UNION ELECTRIC COMPANY

d/b/a AmerenUE

January, 2007

AmerenUE Exhibit No. 41
Case No(s) ER-2007-0002
Date 3/29/07 Rptr JE

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **ROBERT J. MILL**

4 **CASE NO. ER-2007-0002**

5 **Q. Please state your name and business address.**

6 A. My name is Robert J. Mill. My business address is 1901 Chouteau Avenue,
7 St Louis, Missouri 63103.

8 **Q. Are you the same Robert J. Mill that previously submitted direct**
9 **testimony in this proceeding?**

10 A. Yes I am.

11 **Q. Will you please summarize the scope of your rebuttal testimony?**

12 A. Yes. I will be responding to the direct testimony of Mr. Rick Anderson,
13 representing the Missouri Department of Natural Resources ("DNR"), concerning his four
14 conditions of support for AmerenUE's proposed Voluntary Green Program ("VGP") tariff.

15 **Q. Mr. Anderson's first condition of support requires that AmerenUE**
16 **commit to educate its customers about the program and market the program**
17 **effectively. Does the proposed VGP tariff and AmerenUE's plans for promoting the**
18 **program meet this requirement?**

19 A. Yes. AmerenUE will rely on 3 Phases Energy Services ("3 Phases"), a
20 recognized leader in renewable energy certificate ("REC") programs, to perform VGP tariff
21 customer education and program marketing services. 3 Phases is well regarded by the
22 renewable energy industry and received recognition for such by earning the 2005 EPA DOE
23 Renewable Energy Technology Supplier of the Year award. Our agreement with 3 Phases

1 will specifically require them to provide customer education about the benefits of renewable
2 energy and to develop effective marketing plans for promoting the VGP program. I believe
3 our plan to partner with 3 Phases not only for obtaining RECs, but also for education and
4 marketing services should satisfy Mr. Anderson's first condition.

5 **Q. Mr. Anderson's second condition of support requires that AmerenUE**
6 **commit to a good faith effort to obtain RECs from generation sources that are located**
7 **as close as possible to Missouri. Does the proposed VGP program meet this**
8 **requirement?**

9 A. Yes. Our contractual arrangement with 3 Phases requires them to purchase at
10 least 50% of the RECs from sources in Missouri and Illinois, with the remaining balance to
11 be acquired within the Midwest Independent Transmission System Operator, Inc. ("MISO")
12 region. In designing our program, it was important to purchase a significant percent of RECs
13 from sources within or close to Missouri. At the same time, we were concerned that
14 requiring a super majority or even all RECs to come from Missouri and Illinois would
15 increase program costs and would require higher charges to participants so we adopted
16 geographic targets that allowed the program charges to be capped at \$0.015 per kWh. I
17 believe our REC purchase strategy is reasonable and should satisfy Mr. Anderson's second
18 condition.

19 **Q. Mr. Anderson's third condition of support requires that AmerenUE**
20 **commit to full disclosure of the generating source of the certificates sold in the**
21 **program. Does the proposed VGP program meet this requirement?**

22 A. Yes. Ameren will be contracting with a nationally recognized organization
23 called The Center for Resource Solutions, utilizing their process called Green-e certification

1 that will audit all phases of Ameren's voluntary program on an annual basis. Pursuant to
2 Green-e disclosure requirements, AmerenUE will be providing customers with a Product
3 Content Label for the RECs supplied pursuant to the VGP tariff. Such Product Content
4 Label identifies the type and geographic location of resources used to provide the RECs.
5 Plus, the VGP program will undergo an annual verification process audit for the RECs
6 supplied. These consumer protection safeguards will authenticate the VGP RECs and will be
7 published for any customer to review. I believe Mr. Anderson's third condition of support is
8 addressed.

9 **Q. Mr. Anderson's fourth and final condition of support requires that**
10 **AmerenUE acknowledge that it will not make any other use of a green certificate once it**
11 **has been sold to a customer through the VGP program. Does the proposed VGP**
12 **program meet this requirement?**

13 **A.** Yes. Again, the VGP program will be certified by Green-e. The stringent
14 Green-e program certification requirements expressly prohibit the double counting of RECs
15 for multiple purposes. Under the VGP program, the "green attributes" represented by the
16 green certificate belong to the VGP customer paying for such certificate. Therefore, the same
17 "green energy" certificate typically cannot be claimed or used by AmerenUE for any other
18 purpose. There exists only one possible exception that would permit AmerenUE to count
19 VGP program RECs toward a renewable energy standard and that exception is covered by
20 Green-e Certification standards. The Green-e Certification standard allows RECs retired on
21 behalf of customers electing to match 100% of their electricity usage with the renewable
22 program to be utilized to satisfy state-mandated renewable energy standard requirements up
23 to the percentage of the requirements for those customers. For example, if a renewable

1 energy standard were to require the utility to procure RECs for 3% of energy supplied from
2 renewable energy sources, then 3% of the MWhs consumed by participants that are matching
3 100% of their energy usage through the VGP program would be eligible to count toward
4 satisfying such renewable energy standard requirement. This is the only exception of which I
5 am aware.

6 **Q. Mr. Anderson is concerned that confusion might arise from the statement**
7 **in my direct testimony (Mill direct, p. 13, lines 17-19) that the VGP program will be**
8 **designed to "work in conjunction with any future statewide renewable energy**
9 **mandates." Can you please discuss what was intended by that statement?**

10 **A. Yes.** Since AmerenUE has no way of knowing the scope of a future statewide
11 renewable energy mandate should one be implemented, I decided to make a simple statement
12 to show our intent to fully embrace future renewable energy initiatives and any such
13 statewide mandate, and not rely solely on the offering of a VGP program as a substitute for
14 broader renewable energy initiatives. My statement is intended to demonstrate and explain
15 that the VGP program represents only one step in AmerenUE's broader effort to advance
16 renewable energy development in the AmerenUE service territory. As we have already
17 committed, all certificates under the VGP program will be Green-e certified. Consequently,
18 we obviously do not intend to take any actions that would risk obtaining or keeping our
19 Green-e Certification. Mr. Anderson has asked that this confusing statement be removed
20 from the VGP tariff. This statement only appeared in my direct testimony and is not
21 reflected in the proposed tariff.

1 **Q. Do you believe that there is support for AmerenUE's proposed VGP**
2 **tariff from renewable energy proponents?**

3 A. Yes. In fact, I have received a number of letters from renewable energy firms
4 and renewable energy supporters in support of our efforts to obtain approval for the VGP
5 tariff. I am attaching copies of six letters to my rebuttal testimony, designating them as
6 Schedule RJM-5. I was very pleased to receive these letters and appreciate the support from
7 renewable energy professionals for our VGP program. I am aware that the Commission
8 previously received a letter of conditional support for the VGP tariff from another renewable
9 energy firm that I have not included.

10 **Q. Does this conclude your rebuttal testimony?**

11 A. Yes it does.

Abigail Lambert
302 Morton Lane
Villa Ridge, MO 63089
(636) 451-0404

January 8, 2007

Mr. Robert Mill
Director of Regulatory Policy and Planning
Ameren Services, One Ameren Plaza
1901 Chouteau Avenue
PO Box 66149, MC 1301
St. Louis, MO 63166-6149

Dear Mr. Mill:

I am writing to support the Voluntary Green Program proposed by Ameren and filed with Missouri Public Service Commission (MPSC) on July 7, 2006. I have been working in the land protection field for more than 10 years and know the importance of offering incentives to access sustainable energy options AND reduce the use of non-renewable fossil fuels.

Voluntary green tariffs such as the one proposed by Ameren will provide all customers the option to choose renewable energy. This is an important choice that all customers should have so we can shift our energy supply to clean domestic renewable energy and reduce reliance on non-renewable fossil fuels. Participation in this program will help reduce carbon dioxide emissions -- Something we must all start doing.

In addition to reducing the upstream and downstream environmental impacts from fossil fuel extraction, refining, transport and waste disposal, renewable energy also creates regional economic development opportunities, including increased employment, and increased revenues to local landowners and towns. Voluntary green tariffs are an excellent compliment to other means of increasing the use of renewable energy.

Ameren's proposed voluntary green tariff includes many important elements, including:

- Available to all customer classes.
- Half of program demand will be met by renewable generators located within Missouri and Illinois. The program will support only newly installed renewable energy capacity (2002 and later), with seventy-five percent of customer demand supporting wind farms and the balance supporting biogas, landfill gas and solar generators regionally.
- Affordable: 1.5 cents per kWh is below the national average and lower than any voluntary green power premium offered to date in Missouri and Illinois.

- All renewable energy supported by this program is additional to any current or future mandates.
- Ameren's renewable program is not a contribution program. Ameren will purchase certified renewable energy certificates equal to 100% of the electricity needs of residential and small commercial customers that sign up and increments of 1,000 kWh for medium and large businesses.

I look forward to working with Ameren to build awareness of renewable energy and to make this an effective program at driving demand for renewable energy in Missouri, Illinois and the Midwest.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Abigail Lambert".

Abigail Lambert



RESOURCE SOLUTIONS

January 12, 2007

Mr. Robert Mill
Director of Regulatory Policy and Planning
Ameren Services
One Ameren Plaza
1901 Chouteau Avenue
PO Box 66149, MC 1301
St. Louis, MO 63166-6149

Dear Mr. Mill:

On behalf of Center for Resource Solutions, I am writing to express our support for the Voluntary Green Program proposed by Ameren and filed with Missouri Public Service Commission (MPSC) on July 7, 2006. This letter supplements and compliments our letter of June 1, 2006 that addressed how Renewable Energy Certificates (RECs) support the development of new renewable energy facilities, how Green-e certification bolsters the integrity of voluntary REC markets and voluntary utility green pricing programs, Green-e's interaction with Krystal Planet Corporation, and Green-e Program Staff and Governance. Rather than rehash that information, this letter will provide a brief response to Ameren's Voluntary Green Program itself, and to the *Pure Power* program fact sheet provided by 3 Phases Energy (attached).

Voluntary green tariffs such as the one proposed by Ameren give all customers the option to choose high-quality renewable energy. This is an important choice that all customers ought to have so we can shift our energy supply toward clean domestic renewable energy and reduce reliance on non-renewable fossil fuels. An average household participating for a year in the Ameren renewable program will reduce carbon dioxide emissions by 15,120 lbs, which is the equivalent of protecting 5.75 acres of forest or not driving an average car for 18 months.

In addition to reducing the upstream and downstream environmental impacts from fossil fuel extraction, refining, transport and waste disposal, renewable energy also creates regional economic development opportunities, including increased employment, and increased revenues to local landowners and towns. Voluntary green tariffs are an excellent compliment to other means of increasing the use of renewable energy.

Ameren's proposed voluntary green tariff is well designed with many important elements needed for a voluntary green tariff program to be credible and successful including:

- Available to all customer classes.
- Sourced locally or regionally with quality new renewables. Half of program demand will be met by renewable generators located within Missouri and Illinois. The program will support only newly installed renewable energy capacity (2002 and later as defined in the




- proposal), with seventy-five percent of customer demand supporting wind farms and the balance supporting biogas, landfill gas and solar generators regionally.
- Affordable premium: 1.5 cents per kWh is below the national average and lower than any voluntary green power premium offered to date in Missouri and Illinois.
 - All renewable energy supported by this program is additional to any current or future mandates.
 - Ameren's renewable program is not a "contribution" program. Ameren will purchase certified renewable energy certificates equal to 100% of the electricity needs of residential and small commercial customers that sign up and increments of 1,000 kWh for medium and large businesses.
 - Ameren has committed to applying to have the program Green-e® Certified by our organization, which will add a layer of consumer protection and assures third party verification auditing of the program.
 - Ameren has elected to work with a leading third party marketing partner which has been demonstrated to dramatically increase customer enrollments.

It is important to note that until the program is formally approved by the Green-e Governance Board I can not formally endorse it, but based on the information provided to us this program appears to meet the requirements to become Green-e certified. It is my understanding that Ameren will apply in the spring of 2007 for Green-e certification, and we welcome the application.

Once approved by the MPSC we look forward to working with Ameren to build awareness of renewable energy and to make this an effective program at driving demand for renewable energy in Missouri, Illinois and the Midwest.

Thank you.

Sincerely,



Dan Lieberman
Director of Clean Energy Policy

Attachment: *Pure Power* program fact sheet provided by 3 Phases Energy

CC: Gabe Petlin, 3 Phases Energy





Washington University in St. Louis

ARTS & SCIENCES

Department of Biology

Mr. Robert Mill
Director of Regulatory Policy and Planning
Ameren Services
PO Box 66149, MC 1301
St. Louis, MO 63166-6149

December 26, 2006

Dear Mr. Mill:

I have recently learned of the Voluntary Green Program Tariff proposed by Ameren, and am writing to give my enthusiastic support for this proposal.

As I understand it, programs like this give all customers the option to choose renewable energy. This is an important choice that I as a customer would be excited to have. Having recently viewed *An Inconvenient Truth*, the importance of this issue is pulsing in my mind and in the minds of the hopefully thousands of MO/IL electricity consumers who have had the privilege to watch it. I believe it will be a huge feather in the cap of Ameren and of our region if this option is made available. I have no doubt that it will be a very popular and successful initiative.

Sincerely,

A handwritten signature in black ink, appearing to read "Ursula Goodenough".

Ursula Goodenough
Professor of Biology
Washington University



January 16, 2007

Mr. Robert Mill
Director of Regulatory Policy and Planning
Ameren Services
One Ameren Plaza
1901 Chouteau Avenue
PO Box 66149, MC 1301
St. Louis, MO 63166-6149

Dear Mr. Mill:

The American Wind Energy Association would like to express our support for the Voluntary Green Program Tariff proposed by Ameren and filed with Missouri Public Service Commission (MPSC) on July 7, 2006.

The American Wind Energy Association (AWEA) is the national trade association of the U.S. wind energy industry. The association's membership of more than 850 organizations includes turbine manufacturers, wind project developers, electric utilities, energy suppliers, and consultants.

AWEA is encouraged to see Ameren move toward joining the group of over 30 investor-owned utilities, and over 80 other cooperative and public utilities offering a green power program. AWEA believes giving electric ratepayers the option to choose clean, renewable energy sources, such as wind energy, is one of the many mechanisms to build and support the market for additional renewable energy supply. With utility green power program sales almost doubling between 2003 and 2005, the consumer demand for renewable energy is apparent and Ameren's green power program will facilitate turning that demand into additional renewable energy generation.

In addition to the beneficial environmental impacts and reduced use conventional energy sources, there are specific benefits that accrue to a utility that owns renewable energy sources to meet their consumer demand for renewable energy. Additional renewable energy on any system provides rate stability to electric consumer since renewable generation is not subject to fuel price volatility or uncertain environmental regulations. Specifically, in 2005, electric customers participating in some voluntary green power programs in Texas, Colorado and Oklahoma received more stable and sometimes lower electric bills than non-participating customers due to the fluctuating rate adjustments for fuel and other volatile factors.

With the approval of the MPSC, we look forward to Ameren building awareness and supporting demand for renewable energy in Missouri, Illinois and the Midwest.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Salerno". The signature is fluid and cursive, with a long horizontal stroke at the end.

Elizabeth Salerno
American Wind Energy Association

Mr. Robert Mill
Director of Regulatory Policy and Planning
Ameren Services
One Ameren Plaza
1901 Chouteau Avenue
PO Box 66149, MC 1301
St. Louis, MO 63166-6149

Dear Mr. Mill:

On behalf of Wind Capital Group, I would like to express my support for Ameren's Voluntary Green Program Tariff, which was filed with the Missouri Public Service Commission earlier this year. Wind Capital Group is the largest developer of renewable electric energy projects in Missouri. By the summer of 2007, our projects will be supplying clean, renewable wind energy to nearly 80,000 homes served by the Missouri Rural Electric Cooperative system.

There are great benefits to our state if we continue to encourage and support renewable energy. Besides the obvious environmental benefits, these projects spur economic development for hard-working rural communities. On our first 57 MW project, Bluegrass Ridge, we have created hundreds of construction-related jobs, five to seven permanent jobs and relied on local sub-contractors. We will also be working with the community to expand their local museum to include a renewable-energy learning center, which will promote tourism and ongoing economic activity.

In order to continue to see these kinds of benefits, it is important to raise the awareness and availability of green energy for consumers. While some of the green credits that will be offered through the Ameren program may be from out-of-state, we believe the program will create additional opportunities for renewable energy development here at home. The program is sure to be very popular, and contagious with Ameren's customers.

Wind Capital's support for this proposal is prefaced on our understanding that it is in addition to, not a substitute for, Ameren's commitment to develop and purchase viable, Missouri-based renewable energy assets. We are reassured that this is the case by Ameren's rate-case filing in which it agreed to purchase up to 100MW of wind energy. While investing in any renewables is a step in the right direction, it is only through in-state investment that Missourians will see the true value of these new technologies.

I hope that the Commission gives speedy approval to the Voluntary Green Program Tariff, and I look forward to enrolling my home.

Very truly yours,



Thomas S. Carnahan

10805 Sunset Office Dr., Suite 300
St. Louis, MO 63127
phone: 314.918.7608



Energy Matters
PROVIDING TECHNICAL SUPPORT

January 7, 2007

Mr. Robert Mill
Director of Regulatory Policy and Planning
Ameren Services
One Ameren Plaza
1901 Chouteau Avenue
PO Box 66149, MC 1301
St. Louis, MO 63166-6149

Dear Mr. Mill,

I am writing to express the support of my company, Energy Matters, Inc., for the Ameren Voluntary Green Program. I applaud Ameren's efforts to introduce this program to its ratepayers thereby making support of renewable energy more easily accessible to several million customers. The decision to hire a third party to market the program will lead to more participation and Green-e certification adds credibility to the program.

I hope that the merits of this program will be considered independently from other issues involved in the current rate case and that a consensus can be reached that will allow an innovative program to be offered in the Midwest.

Sincerely,

Beth Burka, PE
Principal

RJM-5-9

In the Matter of Union Electric Company)
d/b/a AmerenUE for Authority to File)
Tariffs Increasing Rates for Electric)
Service Provided to Customers in the)
Company's Missouri Service Area.)

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

Danielle R. Moskop
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: July 21, 2009
Commission # 05745027